

tricts, formed in accordance with Section 8 of this Act, and all consolidations heretofore formed under provisions of State Aid Laws of 1923 and 1925, which make provisions for transportation of pupils to and from said schools at public expense, may be granted from this fund in addition to the amount provided in Section 8, a sum equal to one-half the cost of transportation, amount not to exceed \$300.00 for each auto truck required, provided contracts for such transportation have been approved by the State Superintendent.

Sec. 10. It is hereby expressly provided that an amount not to exceed one Hundred Thousand (\$100,000.00) Dollars of the appropriation made herein may be used each year of the biennium for the payment of tuition of rural high school pupils according to the provisions of Chapter 181 of the General Laws of the Fortieth Legislature, Regular Session.

Sec. 11. The aid granted to all of the districts of any one county, entitled to receive aid under the provisions of this Act, shall not exceed Ten Thousand (\$10,000.00) Dollars.

Sec. 12. Except as authorized in Sections 7, 8, 9 and 11, no district shall receive more than One Thousand (\$1,000.00) Dollars in any one year under the provisions of this Act.

Sec. 13. Duties of the State Superintendent of Public Instruction.—It shall be the duty of the State Superintendent, and he is hereby authorized, to take such action and to make such rules and regulations not inconsistent with the terms of this Act, as, in his opinion, may be necessary to carry out the provisions and intentions of this Act and for the best interest of the schools for whose benefits the funds are appropriated. It shall be the duty of the State Superintendent to send one of the rural school supervisors, hereby authorized, who shall make a thorough investigation in person of the grounds, buildings, equipment, teaching force, and financial condition of each school applying for aid under the provisions of this Act, and aid shall not be granted unless it can be shown that all provisions of this Act and regulations made by the State Superintendent have been complied with, and that such amount of aid is ac-

tually needed.

Sec. 14. Warrants and Reports.—Warrants for all money granted under the provisions of this Act shall be transmitted by the State Superintendent of Public Instruction to treasurers of depositories of school districts to which State aid is granted in the same manner as warrants for State apportionment are now transmitted, and it shall be the duty of all treasurers or depositories to make annually itemized reports under oath to the State Superintendent of Public Instruction of the expenditures of all money granted under the provisions of this Act.

Sec. 15. Apportionment Privileges.—Rural schools accepting the provisions of this Act shall be entitled to share in the distribution of State and County available school funds, and in all other funds in the same manner, as all other school districts; and in case high school grades are maintained, the community shall still be entitled to participate in the distribution of any State aid that may be extended by the Legislature of Texas for vocational or industrial purposes to high schools of the State.

Sec. 16. The fact that many schools in rural districts are in need of aid, and that public policy requires that proper provisions be made for the maintenance and support of our schools with as little delay as possible, and for the further fact that considerable time is required in preparation for carrying out the terms of this Act before the schools can take advantage of the provisions stated herein, creates an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days be suspended, and this Act take effect and be in force from and after its passage, and it is so enacted.

#### TWENTY-FOURTH DAY

Senate Chamber,  
Austin, Texas,

Friday, February 8, 1929.

The Senate met at 10 o'clock a. m., pursuant to adjournment, and was called to order by Lieutenant Governor Barry Miller.

The roll was called, a quorum being present, the following Senators answering to their names:

Beck.	Parr.
Berkeley.	Parrish.
Cousins.	Patton.
Cunningham.	Pollard.
DeBerry.	Russek.
Gainer.	Small.
Hardin.	Stevenson.
Holbrook.	Thomason.
Hornsby.	Westbrook.
Hyer.	Williamson.
Love.	Wirtz.
Martin.	Witt.
McFarlane.	Woodul.
Miller.	Woodward.
Moore.	

Absent—Excused

Greer. Neal.

Prayer by the chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Woodward.

#### Petitions and Memorials.

(See Appendix.)

#### Committee Reports.

(See Appendix.)

#### Bills and Resolutions.

By Senator Berkeley:

S. B. No. 468, A bill to be entitled "An Act fixing, in counties having a population of more than 100,000 and less than 150,000 and containing a city of more than 75,000 population, the compensation of and providing for the appointment of assistant county attorneys, and prescribing their qualifications, and providing for the appointment of a stenographer and providing for their salaries and the manner of the payment of the same, and declaring an emergency."

Read first time and referred to Committee on State Affairs.

By Senator Cousins, by request:

S. B. No. 469, A bill to be entitled "An Act providing for a shrimp and oyster canner's license, manner of making application, fee and for a of license, tax on net weight of shrimp and oysters processed and canned, inspection by Game, Fish and Oyster Commissioner or his deputies, form and manner of keeping records and making reports, suit for recovery of taxes or fees, disposition of taxes,

finer and fees, and other regulations of the shrimp and oyster canning business, penalties, and declaring an emergency."

Read first time and referred to Committee on State Affairs.

By Senator Thomason:

S. B. No. 470, A bill to be entitled "An Act providing for payment of salaries of county commissioners in Nacogdoches county out of the road and bridge fund, providing for payment of \$3.00 for road purposes by those liable to road duty in lieu of such road duty; and declaring an emergency."

Read first time and referred to Committee on State Affairs.

By Senator Small.

S. B. No. 471, A bill to be entitled "An Act providing for the levying of an ad valorem tax by counties for the purpose of raising funds to advertise the business, social, educational, and recreational advantages, the natural resources and the scenic attractions of such counties, repealing all laws and parts of laws in conflict therewith, and declaring an emergency."

Read first time and referred to Committee on State Affairs.

By Senator Small:

S. B. No. 472, A bill to be entitled "An Act providing for the levying of an ad valorem tax by cities of more than five thousand inhabitants for the purpose of advertising the business, social, educational and recreational advantages, the natural resources and the scenic attractions of such cities, repealing all laws and parts of laws in conflict therewith, and declaring an emergency."

Read first time and referred to Committee on State Affairs.

By Senator Russek:

S. B. No. 473, A bill to be entitled "An Act making provision for a State-owned and operated cement plant or plants not exceeding three; providing for selection of a site or sites for same through a committee of state officers; etc., and declaring an emergency."

Read first time and referred to Committee on State Affairs.

By Senators Woodward, Berkeley, Love, Wirtz, Parr, Parrish, and Witt.

S. B. No. 474, A bill to be entitled

"An Act amending Article 432 of the Penal Code of 1925 so as to provide better regulations and inhibitions relating to nepotism in connection with public offices and public employment in this State; and declaring an emergency."

Read first time and referred to Committee on Civil Jurisprudence.

By Senator Hardin:

S. B. No. 475, A bill to be entitled "An Act authorizing county judges to sell common school district bonds; and declaring an emergency."

Read first time and referred to Committee on Educational Affairs.

By Senator Pollard:

S. B. No. 476, A bill to be entitled "An Act making appropriations to pay miscellaneous claims against the State for the Prison System of the State of Texas, and authorizing payment of said miscellaneous items on taking effect of this Act, and declaring an emergency."

Read first time and referred to Committee on Finance.

By Senators Pollard, Hyer and Parrish:

S. B. No. 477, A bill to be entitled "An Act defining aircraft, public and civil, airman and providing that in interest of public safety and desirability of uniform regulation and in interest of aeronautical progress, that aircraft operating within this State should conform with respect to design, construction and airworthiness to the standards prescribed by the United States Government, and making it unlawful for the navigation of aircraft within this State whether for commercial, pleasure or noncommercial purposes, unless it is licensed and registered by the Department of Commerce of the United States in the manner prescribed by the lawful rules and regulations of the United States Government then in force; etc., and declaring an emergency."

Read first time and referred to Committee on Finance.

#### Motion to Recommit.

Senator Parr moved that the Committee Substitute for S. J. R. No. 10 be recommitted to the Committee on Constitutional Amendments. The motion was lost by the following vote:

Yeas—9.

Cunningham.	McFarlane.
DeBerry.	Parr.
Gainer.	Russek.
Hornsby.	Wirtz.
Hyer.	

Nays—14.

Beck.	Small.
Berkeley.	Stevenson.
Cousins.	Thomason.
Love.	Williamson.
Parrish.	Witt.
Patton.	Woodul.
Pollard.	Woodward.

Absent.

Holbrook.	Westbrook.
Martin.	

Absent—Excused.

Greer.	Moore.
Hardin.	Neal.
Miller.	

#### Bills Signed.

The Chair, Lieutenant Governor Barry Miller, gave notice of signing, and did sign, in the presence of the Senate, after their captions had been read, the following bills:

H. B. No. 174.  
H. B. No. 274.

#### Motion to Print.

Senator McFarlane moved to print S. B. No. 410 on favorable minority report. The motion prevailed by the following vote:

Yeas—18.

Berkeley.	Parr.
Cousins.	Patton.
Cunningham.	Pollard.
DeBerry.	Russek.
Gainer.	Small.
Hornsby.	Westbrook.
Hyer.	Williamson.
Love.	Wirtz.
McFarlane.	Woodward.

Nays—4.

Holbrook.	Stevenson.
Parrish.	Woodul.

Absent.

Beck.	Thomason.
Martin.	Witt.

**Absent—Excused.**

Greer.	Moore.
Hardin.	Neal.
Miller.	

**Motion to Print.**

Senator Love moved that S. B. No. 14 be printed on favorable minority report.

Senator Wirtz moved to table the motion. The motion prevailed by the following vote:

**Yeas—20.**

Beck.	Russek.
Berkeley.	Small.
Cunningham.	Stevenson.
DeBerry.	Thomason.
Gainer.	Westbrook.
Hardin.	Williamson.
Hornsby.	Wirtz.
Miller.	Witt.
Moore.	Woodul.
Parr.	Woodward.

**Nays—6.**

Cousins.	McFarlane.
Holbrook.	Parrish.
Love.	Pollard.

**Absent.**

Patton.

**Absent—Excused.**

Greer.	Neal.
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**(Pair Recorded.)**

Senator Hyer (present), who would vote nay, with Senator Martin (absent), who would vote yea.

**Simple Resolution No. 62.**

Senator Woodul sent up the following resolution:

Whereas, There has fallen before the Grim Reaper one whose beautiful unselfish life and character has enriched much of the history of the State, for many years being one of the outstanding newspaper men of the State and at the time of his death Vice President and Editor in Chief of the Houston Chronicle, Mr. C. B. Gillespie, and

Whereas, The bereaved family, the newspaper fraternity and the State at large have suffered a great loss in the death of Mr. Gillespie, for he was ever a loving husband and father and an upright citizen uni-

versally beloved by his fellowman; therefore be it

Resolved, by the Senate of the Forty-First Legislature that we express our sympathy to the family and relatives of the deceased, and be it further

Resolved, That this resolution be printed in the Journal and a copy sent to the family of the deceased.

Woodul, Cousins, Wirtz, Holbrook, Russek, Patton, Thomason, Stevenson, Pollard, Moore, Hornsby, and Gainer.

The resolution was read and unanimously adopted by a rising vote.

**S. B. No. 366 Made Special Order.**

On motion of Senator Parr, S. B. No. 366 was made special order after the morning call Tuesday.

**Senate Bill No. 49.**

The Chair laid before the Senate, on third reading, the following bill:

S. B. No. 49, A bill to be entitled "An Act to create the State Board of Pharmacy, providing for its appointment, terms and tenure of office and its members, defining its duties and powers; and to regulate the practice of pharmacy, and providing for the licensing of pharmacists and regulating the distribution, compounding and sale of medicines, drugs, chemicals and poisons in the State of Texas; defining the terms pharmacist, pharmacy, drug store, and Board; providing penalties, and repealing all existing laws in conflict herewith; and declaring an emergency."

The bill was read third time.

Senator McFarlane moved that the bill be laid on the table subject to call.

Senator Hardin moved to table the motion. The motion to table prevailed.

The bill was finally passed by the following vote:

**Yeas—21**

Beck.	Love.
Berkeley.	Martin.
Cousins.	Moore.
Gainer.	Parr.
Hardin.	Parrish.
Holbrook.	Patton.
Hornsby.	Russek.
Hyer.	Small.

Stevenson.  
Thomason.  
Williamson.

Woodul.  
Woodward.

Nays—4.

Cunningham.      McFarlane.  
DeBerry.          Miller.

Absent.

Pollard.          Wirtz.  
Westbrook.      Witt.

Absent—Excused.

Greer.            Neal.

### Senate Bill No. 3.

The Chair laid before the Senate, as special order, the following bill:

S. B. No. 3, A bill to be entitled "An Act declaring the permanent policy of the people of Texas and the Legislature thereof with reference to public free schools, and for the purpose of promoting the public school interests of Texas, etc."

On motion of Senator Pollard, the bill was made special order for tomorrow morning after the morning call:

### Committee Appointed.

The Chair announced the appointment of the following committee on part of the Senate under S. C. R. No. 19:

Woodward, Pollard, Small.

### Message From the House.

The Chair recognized the Door-keeper, who introduced a messenger from the House with the following message:

Hall of the House of Representatives,  
Austin, Texas, Feb. 8, 1929.

Hon. Barry Miller, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bills:

By Senator Woodul:

S. B. No. 105, A bill to be entitled "An Act to amend Article 4552 of Chapter 10, Title 71, of the Revised Civil Statutes of 1925, and declaring an emergency."

With amendments.

By Senator Small:

S. B. No. 150, A bill to be entitled "An Act to confirm and validate all patents and awards issued on lands

lying across or partly across or abutting on water courses or navigable streams or the beds or abandoned beds thereof, or parts thereof and to relinquish, quitclaim and grant to patentees and awardees and their assignees all of such lands, and minerals therein contained, across or abutting on water courses or navigable streams and also the beds or abandoned beds thereof, and minerals therein contained, where such patents or awards have been issued and outstanding for a period of five years from the date thereof and have not been cancelled or forfeited, without impairing the rights of the general public, the state, riparian owners or appropriation owners in the waters of such streams, and providing that with respect to land sold by the State of Texas expressly reserving title to minerals in the State, such reservation shall not be affected by this Act and that the patentees or awardees and their assignees shall have the same rights, title and interest in the minerals in the beds or abandoned beds of such water courses or navigable streams that they have in the uplands covered by the same patents, and declaring an emergency."

With amendments.

S. C. R. No. 14, Providing for a Committee to visit Meridian, Bosque County, Texas.

Respectfully submitted,

LOUISE SNOW PHINNEY,  
Chief Clerk, House of Representatives.

### Motion to Concur.

Senator Woodul moved to concur in the House amendment to S. B. No. 105. The motion prevailed.

### Senate Bill No. 52.

The Chair laid before the Senate on its second reading the following bill:

S. B. No. 52, A bill to be entitled "An Act to regulate the practice of law in Texas, to create the State Bar of Texas, to provide its powers and duties and for the regulation of the conduct of its affairs, to authorize and empower said State Bar to make rules subject to the approval of the Supreme Court for the regulation of the practice of the law in this State, and for the admission to the practice of law in

this State, and for the reprimand, suspension or disbarment for cause of such practitioners, and for their re-instatment, and declaring an emergency."

The bill was read second time.

#### Recess.

On motion of Senator Holbrook, the Senate, at 12:05 p. m., recessed until 2:30 o'clock p. m.

#### After Recess.

The Senate met at 2:30 o'clock p. m., pursuant to recess, and was called to order by Lieutenant Governor Barry Miller.

#### Senate Bill No. 52.

The question recurred upon the engrossment of S. B. No. 52.

Senator Wirtz moved that further consideration of this bill be indefinitely postponed.

Senator Pollard moved that the bill be laid on the table subject to call. The motion prevailed.

#### Bills Signed.

The Chair, Lieutenant Governor Barry Miller, gave notice of signing, and did sign, in the presence of the Senate, after their captions had been read, the following bills:

S. B. No. 18.	S. B. No. 138.
S. B. No. 395.	S. B. No. 105.
S. B. No. 65.	

#### Message from the House.

The Chair recognized the Doorkeeper, who introduced a messenger from the House with the following message:

Hall of the House of Representatives,

Austin, Texas, Feb. 8, 1929.

Hon. Barry Miller, President of the Senate,

Sir: I am directed by the House to inform the Senate that the House has passed the following bill:

H. B. No. 26, A bill to be entitled "An Act making it unlawful for the fraudulent taking of cotton and cotton seed under the value of fifty (\$50.00) dollars; making the first offense a misdemeanor and the second and subsequent offenses a felony; and prescribing punishment

therefor, and declaring an emergency."

Respectfully submitted,  
LOUISE SNOW PHINNEY,  
Chief Clerk, House of Representatives.

#### House Bill Referred.

H. B. No. 26 referred to Committee on Criminal Jurisprudence.

#### Proposed Amendments to Senate Bill No. 149.

Senator Love received unanimous consent to have printed in the Journal some proposed amendments to S. B. No. 149.

(See Appendix.)

#### Free Conference Committee Requested.

Senator Small moved that the Senate refuse to concur in the House amendments to S. B. No. 150 and ask for a Free Conference Committee. The motion prevailed.

The Chair announced the appointment of the following on the part of the Senate:

SMALL.  
WOODWARD.  
PATTON.  
PARRISH.  
THOMASON.

#### Simple Resolution No. 63.

Senator Holbrook sent up the following resolution:

Whereas, Major General Beaumont B. Buck of San Antonio, Texas, is a distinguished son of this State; and,

Whereas, it is the desire of the Senate to accept in an appropriate way and at a definite time the beautiful painting of General Buck, which has been donated to the State by the Department of the Officers Reserve Association;

Therefore, be it resolved by the Senate of Texas that General Buck be invited to address the Senate at 11 a. m. on Thursday, February 14, 1929, at which time the Senate will accept, by proper resolution, the painting, and invite General Buck to address the Senate.

The resolution was read and adopted.

#### Senate Bill No. 474.

Senator Woodward received unanimous consent to take up out of its regular order the following bill:

S. B. No. 474 A bill to be entitled "An Act amending article 432 of the Penal Code of 1925 so as to provide better regulations and inhibitions relating to nepotism in connection with public offices and public employment in this State; and declaring an emergency."

The rule requiring Committee reports to lie over one day was suspended by unanimous consent.

The committee report was adopted.

On motion of Senator Woodward the constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 474 was put on its second reading by the following vote:

Yeas—27.

Beck.	McFarlane.
Berkeley.	Parr.
Cousins.	Parrish.
Cunningham.	Patton.
DeBerry.	Pollard.
Gainer.	Russek.
Hardin.	Small.
Holbrook.	Stevenson.
Hornsby.	Thomason.
Hyer.	Westbrook.
Love.	Williamson.
Hornsby.	Wirtz.
Hyer.	Witt.
Love.	Woodul.
Martin.	Woodward.

Absent—Excused.

Greer.	Moore.
Miller.	Neal.

The bill was read second time and passed to engrossment.

On motion of Senator Woodward the constitutional rule requiring bills to be read on three several days was suspended and S. B. 474 was put on its third reading and final passage, by the following vote:

Yeas—27.

Beck.	McFarlane.
Berkeley.	Miller.
Cousins.	Parr.
Cunningham.	Parrish.
DeBerry.	Patton.
Gainer.	Pollard.
Holbrook.	Russek.
Hornsby.	Small.
Hyer.	Stevenson.
Love.	Thomason.
Martin.	Westbrook.

Williamson.	Woodul.
Wirtz.	Woodward.
Witt.	

Absent—Excused.

Greer.	Moore.
Hardin.	Neal.

Read third time and finally passed by the following vote:

Yeas—27.

Beck.	Parrish.
Berkeley.	Patton.
Cousins.	Pollard.
Cunningham.	Russek.
DeBerry.	Small.
Gainer.	Stevenson.
Holbrook.	Thomason.
Hornsby.	Westbrook.
Hyer.	Williamson.
Love.	Wirtz.
Martin.	Witt.
McFarlane.	Woodul.
Miller.	Woodward.
Parr.	

Absent—Excused.

Greer.	Moore.
Hardin.	Neal.

#### Senate Bill No. 367.

The Chair laid before the Senate on second reading the following bill:

S. B. No. 367, A bill to be entitled "An Act to create Willacy County Water Control and Improvement District No. 1, embracing lands in the Counties of Willacy and Hidalgo in the State of Texas, as a conservation and reclamation district and body politic and corporate, under Section 59, Article 16, of the Constitution, and defining its boundaries; etc., and declaring an emergency."

The committee report was adopted.

The bill was read second time.

Senator Parr sent up the following amendments:

(Floor Amendment.)

Amend the bill by striking out the language:

"Authorizing issuance of permit for use of waters of Rio Grande River for irrigation purposes by said district, without prejudice to other such permits or awards heretofore legally issued or granted other districts,

municipalities or individuals" where same appears in the caption just preceding the words: "Providing that proof of publication, etc."

The amendment was read and adopted.

(Floor Amendment.)

Amend Section 6 of the bill, so that hereafter the same shall read as follows:

Section 6. The Attorney General of this State upon presentation to him for approval of all or any of said bonds, duly executed by the proper officers of said District and supported by proper certificate of approval by the State Board of Water Engineers, is hereby directed to approve and certify the same as the valid and binding obligations of the said Willacy County Water Control and Improvement District Number One, issued in conformity with the Constitution and laws.

The amendment was read and adopted.

(Floor Amendment.)

Amend Section 8 of the bill, so that hereafter the same shall read as follows:

Section 8. That said Willacy County Water Control and Improvement District No. 1, as hereby created and validated, be and is authorized to prosecute the application now pending, in the name of said Union Irrigation District, for water necessary for the irrigation of lands within said Willacy County Water Control and Improvement District No. 1, in such amount if any as may be awarded by the State Board of Water Engineers.

The amendment was read and adopted.

The bill as amended passed to engrossment.

On motion of Senator Parr the constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 367 was put on its third reading and final passage, by the following vote:

Yeas—26.

Beck.	Holbrook.
Berkeley.	Hornsby.
Cousins.	Hyer.
Cunningham.	Love.
DeBerry.	Martin.
Gainer.	McFarlane.

Parr.	Thomason.
Parrish.	Westbrook.
Patton.	Williamson.
Pollard.	Wirtz.
Russek.	Wirtz.
Small.	Woodul.
Stevenson.	Woodward.

Absent—Excused.

Greer.	Moore.
Hardin.	Neal.
Miller.	

The bill was read third time and finally passed by the following vote:

Yeas—26.

Beck.	Parrish.
Berkeley.	Patton.
Cousins.	Pollard.
Cunningham.	Russek.
DeBerry.	Small.
Gainer.	Stevenson.
Holbrook.	Thomason.
Hornsby.	Westbrook.
Hyer.	Williamson.
Love.	Wirtz.
Martin.	Witt.
McFarlane.	Woodul.
Parr.	Woodward.

Absent—Excused.

Greer.	Moore.
Hardin.	Neal.
Miller.	

**S. B. No. 31 Ordered Printed.**

Senator Wirtz moved to print the substitute for S. B. No. 31 and Committee amendment on minority report. The motion prevailed.

**Senate Bill No. 236.**

Senator Holbrook received unanimous consent to take up out of its regular order the following bill:

S. B. No. 236, A bill to be entitled "An Act to permit the State of Texas or any Texas corporation created as an eleemosynary institution without profit, to own or acquire, and to permit counties to make grants and donations thereto, of any properties heretofore acquired by any such county for seawall purposes; repealing all laws and parts of laws in conflict with the provisions of this Act, and declaring an emergency."

The bill was read second time and passed to engrossment.

On motion of Senator Holbrook the constitutional rule requiring bills



to be read on three several days was suspended and S. B. No. 236 was put on its third reading and final passage, by the following vote:

## Yeas—26.

Beck.	Parrish.
Berkeley.	Patton.
Cousins.	Pollard.
Cunningham.	Russek.
DeBerry.	Small.
Gainer.	Stevenson.
Holbrook.	Thomason.
Hornsby.	Westbrook.
Hyer.	Williamson.
Love.	Wirtz.
Martin.	Witt.
McFarlane.	Woodul.
Miller.	Woodward.

## Absent—Excused.

Greer.	Neal.
Hardin.	Parr.
Moore.	

The bill was read third time and finally passed by the following vote:

## Yeas—26.

Beck.	Parrish.
Berkeley.	Patton.
Cousins.	Pollard.
Cunningham.	Russek.
DeBerry.	Small.
Gainer.	Stevenson.
Holbrook.	Thomason.
Hornsby.	Westbrook.
Hyer.	Williamson.
Love.	Wirtz.
Martin.	Witt.
McFarlane.	Woodul.
Parr.	Woodward.

## Absent—Excused.

Greer.	Moore.
Hardin.	Neal.
Miller.	

## Senate Bill No. 396.

The Chair laid before the Senate on second reading the following bill:

S. B. No. 396, A bill to be entitled "An Act granting permission to H. E. Crofts to bring suit against the State of Texas, in the District Court of Blanco County, Texas, for damages for the loss of 101 head of cattle, by death by being dipped in an arsenical solution, under the provisions of the "Tick Eradication" law known as Chapter 122, Acts of the Thirty-ninth Legislature of the

State of Texas; fixing the venue, on whom service of process may be had; providing for the procedure, and that such suit shall be determined on the same principles of law which would be applicable to and govern; were the defendant a private corporation; providing that such suit may be filed within two years after this Act takes effect; that such cause of action shall not be barred until two years after this Act takes effect; and declaring an emergency."

The bill was read second time and passed to engrossment.

On motion of Senator Wirtz, the Constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 396 was put on its third reading and final passage, by the following vote:

## Yeas—26.

Beck.	Parrish.
Berkeley.	Patton.
Cousins.	Pollard.
Cunningham.	Russek.
DeBerry.	Small.
Gainer.	Stevenson.
Holbrook.	Thomason.
Hornsby.	Westbrook.
Hyer.	Williamson.
Love.	Wirtz.
Martin.	Witt.
McFarlane.	Woodul.
Parr.	Woodward.

## Absent—Excused.

Greer.	Moore.
Hardin.	Neal.
Miller.	

Read third time and finally passed by the following vote:

## Yeas—26.

Beck.	Parrish.
Berkeley.	Patton.
Cousins.	Pollard.
Cunningham.	Russek.
DeBerry.	Small.
Gainer.	Stevenson.
Holbrook.	Thomason.
Hornsby.	Westbrook.
Hyer.	Williamson.
Love.	Witt.
Martin.	Witt.
McFarlane.	Woodul.
Parr.	Woodward.

## Absent—Excused.

Greer.	Moore.
Hardin.	Neal.
Miller.	

**Senate Bill No. 287.**

The Chair laid before the Senate on second reading the following bill:

S. B. No. 287, A bill to be entitled "An Act to amend Articles 6205, 6221, and 5227 of Title 109 of the Revised Civil Statutes of 1925, and to amend Articles 6214 of Title 109 of the Revised Civil Statutes of 1925, as amended by Chapter 95 of the General Laws of the Fortieth Legislature, and to add Article 6222a, and declaring an emergency."

The bill was read second time.

On motion of Senator Hornsby, the bill was made second special order for tomorrow morning.

**Senate Bill No. 269.**

The Chair laid before the Senate on second reading the following bill:

S. B. No. 269, A bill to be entitled "An Act creating a State Bureau of Criminal Identification and Investigation; providing for its organization and defining its powers and duties."

The bill was read second time and passed to engrossment.

**Notice of Motion to Reconsider.**

Senator Love gave notice that tomorrow he would call up the motion to reconsider the vote by which the Senate refused to engross S. B. No. 19.

**Message From the House.**

The Chair recognized the Doorkeeper who introduced a messenger from the House with the following message:

Hall of the House of Representatives,  
Austin, Texas, Feb. 8, 1929.

Hon. Barry Miller, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bills:

H. B. No. 118, A bill to be entitled "An Act to amend Article 380, Revised Criminal Statutes of 1925, as amended by Chapter 24 of the first called session of the Thirty-ninth Legislature, so as to make it unlawful to hunt wild deer with dogs in Hardin and Liberty counties."

With Engrossed Rider.

H. B. No. 142, A bill to be entitled "An Act to appropriate from the general revenue out of any funds not

otherwise appropriated the sum of \$175,000, or so much thereof as may be necessary, to be applied to valid claims for the years 1927-1928, and the sum of \$200,000, or so much thereof as may be necessary, to supplement the appropriation for the years 1929-1930, to carry out the provisions of Chapter 36, General and Special Laws of the Fortieth Legislature."

H. B. No. 180, A bill to be entitled "An Act to amend Article 1302 of the Revised Civil Statutes of Texas, as amended by Chapter 11 and Chapter 200, Acts of the Regular Session of the Fortieth Legislature, by adding to said Article 1302 a new subdivision to be known as Subdivision 91; providing for incorporation for the establishment, support and maintenance of automobile clubs for the mutual benefit and protection of automobile operators with power to acquire and own all property incident to such business."

H. B. No. 213, A bill to be entitled "An Act amending Section 1 of Chapter 22 of the Acts of the Fortieth Legislature, first called session, by changing the term and time of holding district court in the county of Cochran, in the Seventy-second Judicial District of Texas, and declaring an emergency."

H. B. No. 216, A bill to be entitled "An Act to validate all school districts created under Chapter 84 of the Acts of the First Called Session of the Fortieth Legislature in 1927; and particularly all independent school districts created under and by virtue of Section 5 of said Act."

H. B. No. 231, A bill to be entitled "An Act amending Chapter 255 of the Acts of the Fortieth Legislature, at its Regular Session, by providing that the counties of Dawson and Howard shall be a part of the Eleventh Supreme Judicial District, and removing said counties from the Eighth Supreme Judicial District, and providing for the appeal of cases from Dawson and Howard counties to the Court of Civil Appeals for the Eighth Supreme Judicial District prior to September 1, 1929, and for the appeal of cases from Dawson and Howard counties to the Court of Civil Appeals for the Eleventh Supreme Judicial District subsequent to September 1, 1929."

With Engrossed Rider.

H. B. No. 248, A bill to be entitled "An Act to amend Article 879h, Chapter 215, of the General and Special Laws of the State of Texas, passed by the Fortieth Legislature, and declaring an emergency."

H. B. No. 251, A bill to be entitled "An Act to amend Article 941a, of the Penal Code of Texas of 1925, so as to cover Dimmit, Zavala, Medina and Uvalde counties and permit the taking or catching of suckers, buffalo, carp, shad and gar at any time in any fresh water, rivers, creeks or lakes in the counties of Burnet, Williamson and Lampasas, Dimmit, Zavala, Medina and Uvalde, with a seine or net with not less than a four-inch size mesh, and providing that catfish, crappie, perch, bass and other kind of fish, if any, caught in such seine or net shall be immediately released in the waters where caught, and that the owner or one in possession of said seine or net, shall, within five days from and after the using of same, make a report under oath to the Game, Fish and Oyster Commissioner, reporting the name of each and every person in the party and showing in said report that all fish not permitted to be caught or taken were released as aforesaid, and declaring an emergency."

H. B. No. 267, A bill to be entitled "An Act amending Article 941-a of the Penal Code of Texas by striking out the counties of Erath and Hood, and declaring an emergency."

H. B. No. 358, A bill to be entitled "An Act to amend Subdivision 38 of Article 199, Title 8, Revised Statutes of 1925, and providing for changing and prescribing terms and times for holding the courts in the counties composing the Thirty-eighth Judicial District of Texas."

H. B. No. 466, A bill to be entitled "An Act to amend Article 691 of the Penal Code of Texas as revised in 1925, so as to allow a search warrant to issue in certain instances upon information and belief of two credible persons."

H. B. No. 413, A bill to be entitled "An Act to amend Chapter 193 of the General Laws of the Fortieth Legislature, page 275, to provide for and regulate the method of taking or catching fish in the public fresh waters of Marion, Cass, Bowie, Harrison, Smith and Rusk counties, State of Texas."

With engrossed rider.

H. B. No. 473, A bill to be entitled "An Act making an appropriation to pay the mileage and per diem of the presidential electors of Texas for the year 1929."

H. B. No. 481, A bill to be entitled "An Act to levy and collect annually a five dollar road tax against all ablebodied male citizens of Lee county who are subject to road work under the General Laws of this State, who are between the ages of twenty-one and forty-five years."

H. B. No. 482, A bill to be entitled "An Act to amend Articles 879c and 879g, Chapter 215, of the General and Special Laws of the State of Texas, passed by the Fortieth Legislature."

Respectfully submitted,  
LOUISE SNOW PHINNEY,  
Chief Clerk, House of Representatives.

#### Senate Bill No. 94.

The Chair laid before the Senate, on second reading, the following bill:

S. B. No. 94, A bill to be entitled "An Act to appropriate the sum of two hundred thousand (\$200,000.00) dollars, or so much thereof as may be necessary to purchase the tract of land consisting of 26 acres, more or less, in Travis County, Texas, adjoining the present campus of the University of Texas, known as the Cavanaugh property, and being remainder of the designated campus of the University of Texas, and declaring an emergency."

On motion of Senator Pollard, the bill was laid on the table subject to call.

#### Senate Bill No. 256.

Senator Witt called up from the table the following bill:

S. B. No. 256, A bill to be entitled "An Act fixing compensation for county tax assessors in counties containing a city with a population of not less than 35,000 and not more than 125,000 according to the last United States census, where the county assessor of taxes compiles and makes a transfer book or card index compiled from the real estate transfers recorded in the county clerk's office showing the names transferred to, last owner assessed to, volume and page, description of property, assessed valuation and the considera-

tion in the transfer; etc., and declaring an emergency."

Senator Wirtz sent up the following amendment:

Amend S. B. No. 256 by adding a new section to be known as Section 1a, to read as follows:

Section 1a. In all counties having an assessed valuation of less than \$6,000,000, the assessor may be paid an ex-officio salary for performing the additional duties now imposed on him of not exceeding \$600.00 per annum, to be paid in twelve equal installments, (and in counties having an assessed valuation exceeding \$6,000,000 and not exceeding \$50,000,000 the assessor may be allowed by the commissioners court an ex-officio salary not to exceed \$1,000.00 per annum in twelve equal installments.)

WILLIAMSON,  
WIRTZ,

The amendment was read.

Senator DeBerry sent up the following amendment to the amendment:

Amend the amendment by striking out: "and in counties having an assessed valuation exceeding \$6,000,000.00 and not exceeding \$50,000,000.00 the assessor may be allowed by the Commissioners Court an ex-officio salary not to exceed \$1,000.00 per annum to be paid in twelve equal installments."

DeBERRY.

The amendment was read and adopted.

The amendment as amended was adopted.

Senator Witt sent up the following amendment:

Amend S. B. No 256 by striking from the caption and the bill the words and figures "35,000 and not more than 125,000" and insert in lieu thereof the words and figures "35,000 and not more than 42,250"

Amend the bill by striking the word "last" from line 5, page 2 and insert the figures 1920.

WITT.

The amendment was read and adopted.

The bill as amended passed to engrossment.

On motion of Senator Witt, the constitutional rule requiring bills to be read on three several days was

suspended and S. B. No. 256 was put on its third reading and final passage, by the following vote:

Yeas—26.

Beck.	Parrish.
Berkeley.	Patton.
Cousins.	Pollard.
Cunningham.	Russek.
DeBerry.	Small.
Gainer.	Stevenson.
Holbrook.	Thomason.
Hornsby.	Westbrook.
Hyer.	Williamson.
Love.	Wirtz.
Martin.	Witt.
McFarlane.	Woodul.
Parr.	Woodward.

Absent—Excused.

Greer.	Moore.
Hardin.	Neal.
Miller.	

The bill was read third time and finally passed by the following vote:

Yeas—26.

Beck.	Parrish.
Berkeley.	Patton.
Cousins.	Pollard.
Cunningham.	Russek.
DeBerry.	Small.
Gainer.	Stevenson.
Holbrook.	Thomason.
Hornsby.	Westbrook.
Hyer.	Williamson.
Love.	Wirtz.
Martin.	Witt.
McFarlane.	Woodul.
Parr.	Woodward.

Absent—Excused.

Greer.	Moore.
Hardin.	Neal.
Miller.	

#### House Bills Referred.

H. B. No. 118 referred to Committee on Criminal Jurisprudence.

H. B. No 142, referred to Committee on Finance.

H. B. No. 180, referred to Committee on State Affairs.

H. B. No. 231, referred to Committee on Judicial Districts.

H. B. No. 216, referred to Committee on State Affairs.

H. B. No. 213, referred to Committee on Judicial Districts.

H. B. No. 251, referred to Committee on State Affairs.

H. B. No. 248, referred to Committee on State Affairs.

H. B. No. 267, referred to Committee on Criminal Jurisprudence.

H. B. No. 358, referred to Committee on Judicial Districts.

H. B. No. 466, referred to Committee on Criminal Jurisprudence.

H. B. No. 473, referred to Committee on Finance.

H. B. No. 413, referred to Committee on State Affairs.

H. B. No. 482, referred to Committee on State Affairs.

H. B. No. 481, referred to Committee on Civil Jurisprudence.

### Recess.

Senator Pollard moved that the Senate recess until 10:00 o'clock Saturday morning.

Senator Wirtz moved as a substitute that the Senate adjourn until 10:00 o'clock Monday morning. The motion was lost.

The motion to recess prevailed, and, at 4:30 o'clock, p. m., the Senate recessed until 10:00 o'clock Saturday morning.

### APPENDIX.

#### Petitions and Memorials.

##### (TELEGRAM)

Dallas, Texas, Feb. 7, 1929.  
Senator Thomas B. Love,  
Austin, Texas.

The people of Dallas county are very much concerned about having the auto registration fees reduced. They are willing to pay three or four cents per gallon on gasoline provided the license tax is lowered at least fifty or seventy-five percent. They are looking to our Dallas county members to contend sharply for such reduction.

JOHN H. COLLUM,  
County Tax Collector.

##### (TELEGRAM)

Dallas, Texas, Feb. 7, 1929.  
Hon. Thomas B. Love, Senate  
Chamber, Austin, Texas.

Dallas Housewives League today passed the following resolution: Resolved that we are opposed to the passage of the right of married persons bills now before the Texas Legislature. It was also voted that

telegram be sent Dallas county legislators notifying them of this action and urging opposition to these bills.

MRS. R. L. DUDLEY,  
Pres. Dallas Housewives League.

Greenville, Texas, Feb. 7, 1929.  
Hon. Tom Love, Austin, Texas.  
Dear Senator:

Your Bill lowering the minimum school age from 7 to 6 years, should be of interest to every mother whether she be of the "bridge" or of the "broom and churn" variety. I happen to belong to the latter order, but I am in hearty accord with your proposed measure.

The normal child of six has an eager, open, restless mind, and has every right to skilled guidance that his seven year old brother has. The average mother, be she ever so willing, lacks the technical training to lay a foundation for her child's public school training, so the eager mind goes undirected, at best. In countless instances, allowed to turn in on itself, forming habits that are unwholesome and wasteful.

I know this letter reads "preachy" and dogmatic, but believe me I am not like that at all, only very much in earnest.

Most sincerely yours,  
LETA WRIGHT MIDDLETON,  
(Mrs. John D. Middleton.)

#### Committee on Enrolled Bills

Committee Room,  
Austin, Texas, Feb. 7, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Enrolled Bills, have had S. B. No. 8 carefully examined and compared, and find the same correctly enrolled, and have this day, at 5 o'clock p. m. presented the same to the Governor for his approval.

WITT, Chairman.

Committee Room,  
Austin, Texas, Feb. 7, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Enrolled Bills, have had S. B. No. 106 carefully examined and compared, and find the same correctly enrolled, and have this day, at 5 o'clock p. m. presented the same to the Governor for his approval.

WITT, Chairman.

Committee Room,  
Austin, Texas, Feb. 7, 1929.  
Hon. Barry Biller, President of the Senate.

Sir: We, your Committee on Enrolled Bills, have had S. B. No. 118 carefully examined and compared, and find the same correctly enrolled, and have this day, at 5 o'clock p. m. presented the same to the Governor for his approval.

WITT, Chairman.

Committee Room,  
Austin, Texas, Feb. 7, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Enrolled Bills, have had S. B. No. 119 carefully examined and compared, and find the same correctly enrolled, and have this day, at 5 o'clock p. m. presented the same to the Governor for his approval.

WITT, Chairman.

Committee Room,  
Austin, Texas, Feb. 7, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Enrolled Bills have had S. B. No. 120 carefully examined and compared, and find the same correctly enrolled, and have this day, at 5 o'clock p. m. presented the same to the Governor for his approval.

WITT, Chairman.

Committee Room,  
Austin, Texas, Feb. 7, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Enrolled Bills have had S. B. No. 121 carefully examined and compared, and find the same correctly enrolled, and have this day, at 5 o'clock p. m. presented the same to the Governor for his approval.

WITT, Chairman.

Committee Room,  
Austin, Texas, Feb. 7, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Enrolled Bills have had S. B. No. 116 carefully examined and compared, and find the same correctly enrolled, and have this day, at 5 o'clock p. m. presented the same to the Governor for his approval.

WITT, Chairman.

Committee Room,  
Austin, Texas, Feb. 7, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Enrolled Bills, have had S. B. No. 124 carefully examined and compared, and find the same correctly enrolled, and have this day, at 5 o'clock p. m. presented the same to the Governor for his approval.

WITT, Chairman.

Committee Room,  
Austin, Texas, Feb. 7, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Enrolled Bills, have had S. B. No. 275 carefully examined and compared, and find the same correctly enrolled, and have this day, at 5 o'clock p. m. presented the same to the Governor for his approval.

WITT, Chairman.

Committee Room,  
Austin, Texas, Feb. 7, 1929.  
Hon. Barry Miller, Prseident of the Senate.

Sir: We, your Committee on Enrolled Bills, have had S. B. No. 278 carefully examined and compared, and find the same correctly enrolled, and have this day, at 5 o'clock p. m. presented the same to the Governor for his approval.

WITT, Chairman.

Committee Room,  
Austin, Texas, Feb. 7, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Enrolled Bills, have had S. B. No. 180 carefully examined and compared, and find the same correctly enrolled, and have this day, at 5 o'clock p. m. presented the same to the Governor for his approval.

WITT, Chairman.

Committee Room,  
Austin, Texas, Feb. 7, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Enrolled Bills, have had S. C. R. No. 20 carefully examined and compared, and find the same correctly enrolled, and have this day, at 5 o'clock p. m. presented the same to the Governor for his approval.

WITT, Chairman.

**Committee on Engrossed Bills.**

Committee Room,  
Austin, Texas, Feb. 8, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your committee on Engrossed Bills, have had S. B. No. 49 carefully examined and compared, and find the same correctly engrossed.

PARR, Chairman.

Committee Room,  
Austin, Texas, Feb. 8, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your committee on Engrossed Bills, have had S. B. No. 474 carefully examined and compared, and find the same correctly engrossed.

WESTBROOK, Chairman.

**Committee Reports.**

(Majority Report.)

Committee Room,  
Austin, Texas, Feb. 8, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, a majority of your committee on Constitutional Amendments, to whom was referred S. J. R. No. 10.

"Proposing to amend Article 3 of the Constitution of the State of Texas by adding to Section 48 thereof a provision authorizing the levying of taxes for highway purposes and by adding to Section 49 of said Article a provision enabling the Legislature to provide for the extension of the credit of the State for the purpose of the construction and maintenance of a system of highways and reimbursing outlays and assuming obligations, made by counties and defined road districts of the State therefor."

Have had same under consideration and I am instructed to report it back to the Senate with the recommendation that the attached Committee Substitute pass in lieu of the original.

HORNSBY, Chairman.

(Minority Report.)

We, a minority of the Committee on Constitutional Amendments, have had the same under consideration and recommend that the attached Committee Substitute do not pass.

BERRY,  
HORNSBY.

Committee Room,  
Austin, Texas, Feb. 7, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred S. B. No. 461, A bill to be entitled "An Act creating the Texas State Nautical School, for the purpose of giving instruction in the practice of navigation, seamanship, steam and electrical engineering; creating a Board of Governors to manage said school; providing for the administration thereof, and for the adoption of rules and regulations by said Board; making an appropriation for the purpose of establishing and maintaining the same, and declaring an emergency."

Have had the same under consideration, and I am instructed to report to the Senate with the recommendation that it do pass.

WIRTZ, Chairman.

Committee Room,  
Austin, Texas, Feb. 7, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred

S. B. No. 451, A bill to be entitled "An Act determining and fixing the annual salary of the County Superintendent of Public Instruction of Liberty County, Texas; providing for the payment of said salary; providing for the payment of office expense, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, and that it be not printed.

WIRTZ, Chairman.

Committee Room,  
Austin, Texas, Feb. 8, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Mining, Irrigation and Drainage, to whom was referred

S. B. No. 434, A bill to be entitled "An Act to create Santa Maria Water Control and Improvement District Cameron County Number Four in Cameron County, Texas; validating and approving all orders made by the Commissioners Court of said County in respect to the original organization of said district as a Water Improvement District under Article

3, Section 52 of the Constitution; etc; and declaring an emergency."

Have had the same under consideration and I am instructed to report same back to the Senate with the recommendation that it do pass and be not printed.

STEVENSON, Chairman.

Committee Room,

Austin, Texas, Feb. 8, 1929.

Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Mining, Irrigation and Drainage, to whom was referred

S. B. No. 290, A bill to be entitled "An Act to provide for the sale, development and patenting of mineral deposits, placers, veins, lodes or any rock carrying metallic or non-metallic substances of value, excepting oil, natural gas, coal and lignite that may be in any of the land of the public free school fund, University fund, the several Asylum funds, all State land belonging to or under the jurisdiction and control of the Prison Commission of this State, or the Board of Trustees for the State institution for the Training of Juveniles, and all other lands belonging to the State and administered by other Boards, that may have been heretofore sold or disposed of by the State with the reservation of minerals therein, and all the lands at which the mineral rights therein have or shall have reverted to the State of Texas, and said mineral substances that may be in any islands and river beds and channels which belong to the State; providing penalties, repealing all laws in conflict with this Act; and declaring an emergency."

Have had the same under consideration and I am instructed to report back to the Senate with the recommendation that it do pass and be printed.

STEVENSON, Chairman.

Committee Room,

Austin, Texas, Feb. 8, 1929.

Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Mining, Irrigation and Drainage, to whom was referred

H. B. No. 459, A bill to be entitled "An Act to create Hidalgo County Water Control and Improvement District No. 6 in Hidalgo County, Tex-

as; validating and approving all orders made by the Commissioners' Court of said county in respect to the organization of said district; etc; and declaring an emergency."

Have had the same under consideration and I am instructed to report it back to the Senate with the recommendation that it do pass and be not printed.

STEVENSON, Chairman.

Committee Room,

Austin, Texas, Feb. 8, 1929.

Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Mining, Irrigation and Drainage, to whom was referred

S. B. No. 435, A bill to be entitled "An Act creating and establishing Starr County Water Control and Improvement District No. 1 in Starr County, Texas, under Section 59 of Article 16 of the Constitution of the State of Texas for the purpose of the control, storing, preservation and distribution of its waters and flood waters, the waters of its streams and rivers, for irrigation, power and all other useful purposes, etc; and declaring an emergency."

Have had the same under consideration and I am instructed to report it back to the Senate with the recommendation that it do pass and be not printed.

STEVENSON, Chairman.

Committee Room,

Austin, Texas, Feb. 8, 1929.

Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Mining, Irrigation and Drainage, to whom was referred

H. B. No. 479, A bill to be entitled "An Act to create Hidalgo and Cameron Counties Water Control and Improvement District No. 9 in Hidalgo and Cameron Counties, Texas; validating and approving all orders made by the Board of Water Engineers of the State of Texas in respect to the original organization of said District as a Water Control and Improvement District under Section 59, of Article 16 of the Constitution of the State of Texas; etc; and declaring an emergency."

Have had the same under consideration and I am instructed to report it back to the Senate with the



recommendation that it do pass and be not printed.

STEVENSON, Chairman.

Committee Room,  
Austin, Texas, Feb. 8, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Finance, to whom was referred

S. B. No. 162, A bill to be entitled "An Act appropriating the sum of One Hundred Seventy-five Thousand Dollars (\$175,000.00) out of the State Treasury for the use of the Live Stock Sanitary Commission in the payment of salaries of inspectors in tick eradication, scabies eradication and live stock sanitary work and salaries of other persons employed by the said Commission in performance of such duties as may be designated by said Commission; and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass, but that the accompanying Committee Substitute bill as amended do pass in lieu of the original bill.

POLLARD, Chairman.

Committee Room,  
Austin, Texas, Feb. 8, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Civil Jurisprudence, to whom was referred

S. B. No. 474, A bill to be entitled "An Act amending Article 432 of the Penal Code of 1925 so as to provide better regulations and inhibitions relating to nepotism in connection with public offices and public employment in this State and declaring an emergency."

Have had the same under consideration and I am instructed to report it back to the Senate with the recommendation that it do pass and be not printed.

WOODWARD, Chairman.

(Majority Report.)

Committee Room,  
Austin, Texas, Feb. 8, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, a majority of your Committee on Mining, Irrigation and Drainage, to whom was referred

S. B. No. 31, A bill to be entitled

"An Act amending Article 7471 of the Revised Civil Statutes of the State of Texas of 1925 so as to provide that in the appropriation of waters as defined in Article 7467 of the Revised Civil Statutes of 1925, all rights conferred in, through or by the appropriation of water for power purposes, shall hereafter be subordinate to and remain subordinate to the rights of the State to grant appropriations for the use of such waters for municipal, domestic and irrigation purposes, any law to the contrary notwithstanding; and amending Article 7472 of the Revised Civil Statutes of the State of Texas of 1925, by adding thereto the following, to-wit: "Provided, however, that all waters hereafter appropriated for power purposes shall be subordinate and remain subordinate to the rights of the State to grant appropriations for the use of such waters for municipal, domestic and irrigation purposes," any law to the contrary notwithstanding, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed in bill form and that the majority report, together with the substitute bill and amendment attached, be likewise printed in bill form.

STEVENSON, Chairman.

(Minority Report.)

Committee Room,  
Austin, Texas, Feb. 8, 1929.  
Hon. Barry Miller, President of the Senate.

Sir: We, a minority of your Committee on Mining, Irrigation and Drainage, to whom was referred

S. B. No. 31, A bill to be entitled "An Act amending Article 7471 of the Revised Civil Statutes of the State of Texas of 1925 so as to provide that in the appropriation of waters as defined in Article 7467 of the Revised Civil Statutes of 1925, all rights conferred in, through or by the appropriation of water for power purposes, shall hereafter be subordinate to and remain subordinate to the rights of the State to grant appropriations for the use of such waters for municipal, domestic and irrigation purposes, any law to the contrary notwithstanding; and amending Article 7472 of the Revis-

ed Civil Statutes of the State of Texas of 1925, by adding thereto the following, to-wit: "Provided, however, that all waters hereafter appropriated for power purposes shall be subordinate and remain subordinate to the rights of the State to grant appropriations for the use of such waters for municipal, domestic and irrigation purposes," any law to the contrary notwithstanding; and declaring an emergency."

Have had the same under consideration and I am instructed to report it back to the Senate with the recommendation that the original bill and the substitute before the Committee be reported out with the recommendation that the attached committee amendment be added thereto.

GAINER.

(Minority Report.)

Committee Room,

Austin, Texas, Feb. 8, 1929.

Hon. Barry Miller, President of the Senate.

Sir: We, a minority of your Committee on Mining, Irrigation and Drainage, to whom was referred

S. B. No. 31, A bill to be entitled "An Act amending Article 7471 of the Revised Civil Statutes of the State of Texas of 1925 so as to provide that in the appropriation of waters as defined in Article 7467 of the Revised Civil Statutes of 1925, all rights conferred in, through or by the appropriation of water for power purposes, shall hereafter be subordinate to and remain subordinate to the rights of the State to grant appropriations for the use of such waters for municipal, domestic and irrigation purposes, any law to the contrary notwithstanding; and amending Article 7472 of the Revised Civil Statutes of the State of Texas of 1925, by adding thereto the following, to-wit: "Provided, however, that all waters hereafter appropriated for power purposes shall be subordinate and remain subordinate to the rights of the State to grant appropriations for the use of such waters for municipal, domestic and irrigation purposes", any law to the contrary notwithstanding, and declaring an emergency."

Have had the same under consideration, and beg to differ with a majority of your Committee and report it back to the Senate with the recom-

mendation that the original bill do not pass but that the substitute bill hereto attached, do pass in lieu thereof and that said substitute with amendment be printed in bill form.

STEVENSON,  
PARR,  
WIRTZ.

Committee Room,

Austin, Texas, Feb. 8, 1929.

Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Finance, to whom was referred

S. B. No. 476, A bill to be entitled "An Act making appropriations to pay miscellaneous claims against the State for the Prison System of the State of Texas, and authorizing payment of said miscellaneous items on taking effect of this Act, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate, with the recommendation that it do pass, and be printed.

POLLARD, Chairman.

Committee Room,

Austin, Texas, Feb. 8, 1929.

Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Insurance, to whom was referred

S. B. No. 354, A bill to be entitled "An Act to regulate the business of insurance on what is known as the Lloyd's Plan, amending all of Chapter 19, Title 78, Revised Statutes of Texas; and declaring an emergency."

Have had the same under consideration and I am instructed to report it back to the Senate with the recommendation that it do not pass but that the Committee Substitute do pass and that it be printed in the Journal and not otherwise.

MOORE, Chairman.

C. S. S. B. No. 354.

A BILL

To Be Entitled

An Act to regulate the business in insurance on what is known as the Lloyd's Plan, amending all of Chapter 19, Title 78, Revised Statutes of Texas; and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. That Chapter 19, Ti-

the 78 of the Revised Statutes of Texas, 1925, and all the Articles therein contained be and the same are hereby amended so as hereafter to read as follows, to-wit:

Article 5013. "Underwriters" defined. Individuals, partnerships or associations of individuals, hereby designated "underwriters," are authorized to make any insurance, except life insurance, on the Lloyd's Plan, by executing articles of agreement expressing their purpose so to do and complying with the requirements set forth in this chapter.

Article 5014. "Attorney" defined. Policies of insurance may be executed by an attorney or by attorneys in fact or other representative, hereby designated "attorney" authorized by and acting for such underwriters under power of attorney. The principal office of such attorney shall be maintained at such place as may be designated by the underwriters in their articles of agreement; provided that no license shall be issued to any attorney at Lloyd's to bind risks or insurance in Texas, or with citizens of Texas, or covering property in Texas, unless their attorneys in fact be residents of this State and maintain their office in this State, except as may be hereinafter specifically provided.

Article 5015. Application for license. The attorney shall file with the Board of Insurance Commissioners, a verified application for license setting forth and accompanied by:

(a) The name of the attorney and the title under which the business is to be conducted, which title shall contain the name Lloyd's and shall not be so similar to any name or title in use in this State as to be likely to confuse or deceive.

(b) The location of the principal office.

(c) The kinds of insurance to be effected, which kinds of insurance may be as follows:

1. Fire insurance, which term shall be construed to include tornado, hail, crop and floater insurance.

2. Automobile insurance, which term shall be construed to include fire, theft, transportation, property damage, collision, liability and tornado insurance.

3. Liability insurance.

4. Marine insurance.

5. Accident and health insurance.

6. Burglary and plate glass insurance.

7. Fidelity and surety bonds insurance.

8. Any other kinds of insurance not above specified, the making of which is not otherwise unlawful in this State, except life insurance.

(d) A copy of each form of policy or contract by which such insurance is to be effected.

(e) A copy of the form of power of attorney by virtue of which the attorney is to act for and bind the several underwriters and a copy of the articles of agreement entered into between the underwriters themselves and the attorney.

(f) The names and addresses of all underwriters, whose number shall not be less than ten.

(g) A financial statement showing in detail the assets contributed or accumulated in the hands of the attorney in fact, committee of underwriters, trustees and/or other officers of such underwriters at Lloyd's, together with the liabilities incurred and outstanding and the income received and disbursements made by the attorney for the underwriters.

(h) An instrument executed by each and all of the underwriters specially empowering the attorney to accept service of process for each underwriter in any action on any policy or contract of insurance, and an instrument from the attorney to such Board delegating the attorney's powers in this respect to such Board.

Article 5016. License. Upon compliance with the requirements of this chapter and upon a showing of net assets as provided in the succeeding article, the Board of Insurance Commissioners shall, upon payment of a fee of ten dollars, issue a license to any attorney applying therefor specifying the kind or kinds of insurance which he is authorized to make and containing the name of the attorney, the location of his principal office, and the title under which such business is to be conducted. Such license shall continue in force until the first day of March succeeding, at which time it may be renewed for the period of another year by the Board if and when said Board shall be satisfied from a report filed by

such underwriters at Lloyd's showing that the provisions of the law applicable thereto have been complied with, and that such underwriters are entitled to a renewal of such license. Such license shall be renewed from year to year thereafter on the same conditions.

Article 5017. Assets. No attorney shall be licensed for the underwriters at a Lloyd's under this chapter unless the net assets, including the guaranty fund contributed to the attorney, a committee of underwriters, trustees or other officers as provided for in the articles of agreement, shall be at least sixty thousand dollars in cash, or convertible, admissible securities; nor shall any attorney be licensed for any underwriters at a Lloyd's to transact more than one kind of business as defined in the third article of this chapter, unless the net assets, as they are herein defined belonging to such underwriters at Lloyd's, shall be as much as ten thousand dollars additional for each additional kind of insurance designated in the application for license.

Article 5017a. Limitation of business. The underwriters at a Lloyd's shall not assume nor write insurance obligations in Texas nor for citizens of Texas, nor covering property located in Texas which produce a net premium income in excess of ten times the net assets of such underwriters, and if at any time the liabilities assumed upon such insurance shall produce a net premium income greater than ten times such net assets, then no further insurance obligation shall be assumed until the net assets have been increased so as to admit of additional insurance obligations which will produce a premium income not greater than ten times such net asset; provided that when the net assets at a Lloyd's shall equal the sum of money which will be required of a stock insurance company doing the same characters of business in Texas, then this limitation upon the volume of business to be written shall not apply further; provided further that if in the judgment and discretion of the Board of Insurance Commissioners such underwriters at a Lloyd's shall have effected reinsurance, or other contracts, with responsible and sol-

vent insurance carriers reducing the net lines at risk carried by such underwriters at a Lloyd's so that their operations are safe and their solvency not in danger, then such Board may renew or extend the licenses of such underwriters, irrespective of this limitation.

Article 5017b. Solvency. In determining the solvency and arriving at the amount of net assets on hand belonging to underwriters at a Lloyd's for the purpose of this chapter, there shall be considered all the funds contributed to the Guaranty Fund by the underwriters and the funds accumulated during the progress of the business and held for such underwriters by the attorney in fact, trustees or other officers. Underwriters at a Lloyd's shall be deemed solvent when the net assets on hand shall meet the requirements of this Chapter, after deducting from its gross assets all outstanding liabilities, including reserve liabilities, and when the contributed guaranty fund at least to the minimum required herein shall be unimpaired.

Article 5017c. Reserves. Underwriters at a Lloyd's are required to compute reserve liabilities for all outstanding business and for all incurred losses upon the same basis required for stock insurance companies doing the same classes and character of business in Texas.

Article 5017d. Investments.—The assets of underwriters at a Lloyd's shall be invested in such property and securities as the capital and/or surplus of a stock insurance company doing the same sort of business may be invested in, except real estate, or they may be held in cash.

Provided, however, that no Lloyd's already organized and doing business under license from the Department of Insurance shall be required to conform to this requirement except as to securities hereafter acquired whether in substitution for securities now held or from additional, successor or substitute underwriters, provided further, at least the minimum requirement for the guaranty fund shall be invested in securities admissible under this Act.

Article 5017e. Control of Net Assets.—The assets of underwriters at a Lloyd's to the extent of the minimum required under the provisions of this Chapter shall be sub-

mitted to and subjected to the joint control of the attorney in fact for such underwriters, and the Board of Insurance Commissioners, in some manner satisfactory to the Board so that the same may not be withdrawn or diverted, or expended, except with the approval of the Board, and for the purposes provided for in this chapter. Such underwriters, however, shall be entitled to the interest or income accruing from such property or securities as may be placed under the joint control of such attorney-in-fact and the Board as and when the same is payable. Provided, however, in lieu of such joint control any attorney in fact at a Lloyd's now doing business in this State may give bond in the sum of Twenty-five thousand dollars for the safe keeping of such assets, to be released only on approval of the Board of Insurance Commissioners, and in such form and with such corporate surety as shall be approved by the Board of Insurance Commissioners.

**Article 5018. Examination of Affairs.**—The Board of Insurance Commissioners is hereby required to make a biennial examination either in person or through a duly appointed examiner of the books and affairs of the attorney for underwriters at a Lloyd's, or of any attorney for such underwriters at a Lloyd's wherever such books may be kept, and its affairs may be conducted. The expense of such examinations must be borne by the underwriters; and the attorneys and their deputies shall facilitate such examination and furnish all such information which the commissioners may demand.

**Article 5018a. Annual Reports.**—The attorneys for such underwriters shall annually file with the Commissioner of Insurance a verified report of the business done by the attorney for such underwriters during the previous year, and of the condition of its affairs, together with such other information as the Board of Insurance Commissioners may demand; such report shall be filed upon blanks prepared by the Commissioners and shall cover the report of all the business of such underwriters, wherever the same may be conducted.

**Article 5018b.** An underwriter at a Lloyd's may limit his total liability by contract with the persons

insured to the proportionate part of the loss represented by the ratio which his subscription paid in, in cash and/or securities such as allowed by this law, bears to the total guaranty fund contributed by the several underwriters and his total liability on all risks may be limited to the amount of his subscription as expressed in his power of attorney and agreement with the attorney in fact, provided at least half of the subscription of each underwriter must be paid or contributed to the guaranty fund in cash and/or admissible securities. Each underwriter shall be responsible solely for his own liability as fixed in the contract of Insurance and not be liable as a partner.

**Article 5019. Liability of Substitutes.**—Additional or substituted underwriters shall be bound in the same manner and to the same extent as original subscribers to the articles of agreement and power of attorney on file with the Board; and the acts of the duly appointed deputy or substitute attorney of any attorney licensed under this chapter in accepting powers of attorney from underwriters and in making and issuing policies and contracts of insurance and in doing any additional acts incident thereto shall be deemed authorized by the license issued to the original attorney.

**Article 5019a. Division of Profits.**—No profits shall accrue to an underwriter, except upon the basis of his actual investment in cash or convertible securities, disregarding any obligation or subscription to pay in additional cash or securities at a later date.

**Article 5020. Assuming Risk.**—No attorney for underwriters at a Lloyd's shall assume any one insurance risk exceeding one-tenth of the amount of the net assets of the underwriters as defined in this chapter and the additional liability assumed by the individual underwriters in the articles of agreement and in the policies or contracts of insurance, unless such excess shall be promptly reinsured.

**Article 5021. Action on Policy.**—Action on any policy or contracts of insurance made by the attorney for the underwriters may be brought against the attorney or against the attorney and the underwriters or any

of them. In such action, summons and process shall be served on either Commissioner of Insurance or on the attorney in fact and when so served shall have the same force and effect as if served on the attorney and on each underwriter personally. A judgment in any such action against the attorney or against any of the underwriters shall be binding upon and be a judgment against each and all of the underwriters as their several liabilities may appear in the contract of insurance on which the action is brought.

Any such summons or other process shall be served in duplicate, and the Board of Insurance Commissioners shall forthwith by registered mail send one copy thereof to the attorney for the underwriters at the principal office designated in the application for license or latest amendment thereof. The party commencing any action against the underwriters at a Lloyd's and securing service of process in this manner shall at the time of such service pay to such Commissioner for the use of the Department a fee of two dollars, which he shall be entitled to collect as taxable costs in the action if he shall prevail.

Article 5022. Winding Up Affairs.—Whenever it shall appear to the Board that the minimum assets provided for in Article 5017 have become impaired the Board shall immediately give notice to the attorney in fact for such Lloyd's to appear and show cause why the license of such attorney shall not be revoked, and if within thirty days from the giving of such notice the impairment or insolvency shall not be made good by such underwriters, or their attorney, such license shall immediately be cancelled. If such attorney or other person shall make any advancement to make good such impairment, the claim for such advancement against the assets of such underwriters shall be deferred to the claims for losses under policies or contracts of insurance. If such impairment is not made good within the time prescribed, then the Board shall proceed to take charge of the assets of such underwriters, and to effect a reinsurance of all business outstanding in Texas or covering property located in Texas, and for that purpose, said Board shall have the right to use the net assets, and

to make provision for the payment of outstanding claims and losses. In case reinsurance cannot be effected by the said Board, then the affairs of such underwriters at Lloyd's shall be wound up through receivership proceedings instituted by the Attorney General of Texas at the request of the Board.

In case underwriters at a Lloyd's shall desire to withdraw from the insurance business, they may be permitted to do so, if and when they shall satisfy the Board that adequate provision has been made, through reinsurance or otherwise, for the payment of all unadjusted losses, and for the reinsurance of all outstanding risk in favor of citizens of Texas, or covering property in Texas, and thereupon, any bond of the attorney in fact shall be released, and said Board shall release to such underwriters the net assets over which it may have been given joint control.

Article 5022a. Foreign Lloyd's. In case underwriters at a Lloyd's who are non-residents of Texas, or who maintain their principal office outside of Texas, apply for a permit to do business in Texas, such permit shall not be granted unless such underwriters have and maintain net assets in Texas which are subject to the joint control of their attorney-in-fact and the Board of Insurance Commissioners of this State sufficient to meet the minimum requirements of this Chapter relative to the amount of net assets which underwriters at Lloyd's must have; or unless they submit to and file with the Board a bond executed by such corporate sureties as the Board may require (which corporate sureties must be licensed to do guaranty, fidelity and surety business in Texas) in a principal amount which would be required for net assets of underwriters at Lloyd's under foregoing provisions of this chapter which said bond shall be payable to the Board of Insurance Commissioners, and which shall be conditioned for the payment of all claims arising upon contracts issued in Texas, or issued to residents and citizens of Texas, or covering property located in Texas, and which bond shall be held by the Board for the benefit of all persons having valid claims arising upon contracts issued in Texas, or to residents or citizens of Texas, or

covering property located in Texas. It shall also provide that in the event the underwriters shall become insolvent or cease to transact business in this State at any time when there are outstanding policies of insurance in favor of citizens of this State, or upon property in this State, the Board shall have power, after having given ten days' notice to the attorneys for such underwriters, or any receiver in charge of its property and affairs, to contract with any other insurance carrier transacting business in this State for the assumption and reinsurance by it of all the insurance risks outstanding in this State of such underwriters, which contract shall also provide for the assumption by such reinsurance carrier of all outstanding and unsatisfied lawful claims then outstanding against such underwriters. In the event of the Board making any such contract, and if the same shall be approved as reasonable by the Attorney General, the reinsuring carrier shall be entitled to recover from the makers of such bond the amount of the premium or compensation so agreed upon for such reinsurance. Such bond shall also bind any additional or substitute underwriters at such Lloyd's. If any underwriters desiring to do so, at their option, in lieu of giving the bond authorized by this article, shall submit admissible securities subject to the joint control of its attorney-in-fact and the Board of Insurance Commissioners such deposits of securities shall be deemed to have been made upon such terms and conditions as provided by such bond.

If there shall be any recovery upon the bond or from the deposit hereinabove provided for, then the Board shall immediately demand additional security so as to bring the amount of the bonds up to the minimum sum required hereunder, which additional bond must be posted within thirty days from the date of such demand. Provided, there may be successive recoveries on said bond until the principal sum thereof is exhausted.

**Article 5022b. Foreign Lloyd's Cont'd.**—All of the provisions of this chapter except as the same are modified by the foregoing article are applicable to underwriters at a Lloyd's who are non-residents of Texas, or

who maintain their principal office outside of Texas, in the same manner that they are applicable to underwriters of a Lloyd's who are residents of Texas and who maintain their principal office in this State.

**Article 5022c. Reinsurance.**—The provisions of this Act relative to foreign Lloyd's shall not prevent any Texas Lloyd's from reinsuring its excess lines with a solvent foreign Lloyd's, acceptable to the Board of Insurance Commissioners, which has no license to do business in Texas nor from reinsuring any business from such foreign Lloyds.

**Article 5022d. Revocation and Suspension of License.**—If any attorney in fact or underwriters at a Lloyd's shall violate any of the provisions of this chapter, or any of the other laws of the State of Texas, which are applicable to them, the license of such attorney shall be revoked and the right to do business in Texas shall be cancelled.

**Article 5023. This Law Exclusive.**—Except as herein provided no other insurance law of this State shall apply to insurance on the Lloyd's plan unless it is specifically so provided in such other law that the same shall be applicable.

**Article 5023a. Promotion of Lloyd's.**—(1) No person or persons, firm or corporation shall be instrumental in the organization of a Lloyd's business if in such organization any money or property shall be paid over to such person, persons, firm or corporation, or their agent or representative by way of commission or other compensation for procuring underwriters or guaranty fund for such Lloyd's, unless such person, persons, firm or corporation shall in advance make application to the Board of Insurance Commissioners and shall receive a permit from such Board to organize such Lloyd's and charge a commission in connection with such organization.

(2) In no event shall more than ten per cent of the total amount of the subscription to such an enterprise by any underwriter be paid to any person by way of commission for the sale of "units" or interests in such Lloyd's business or in the procuring of underwriters therefor.

(3) This article shall not apply to the organization or the enlargement of a Lloyd's in which no pro-

motion expense is deducted from the contributions made by the underwriters, and no commission of any sort is paid for the procuring of underwriters or subscriptions to the guaranty fund of such business.

(4) This article shall apply to the continued organization or the continued extension of any Lloyd's business which has heretofore been licensed by the Insurance Department of this State, if in such further extension of such business any commission is to be paid, but such permit shall not be refused because of the contemplated size or amount of the guaranty fund of such Lloyd's.

(5) After such permission shall have been granted for the organization or enlargement of a Lloyd's no securities shall be accepted as contributions to the guaranty fund of such Lloyd's, unless such securities shall have been approved in advance by the Board of Insurance Commissioners as complying with this law relative to the investment of the funds of such organizations.

Sec. 2. The fact that the present law does not adequately protect the public against insolvency of Lloyd's and the further fact that the present law does not in any manner restrict the operation of insurance upon the Lloyd's plan either as to amount of business or the manner of the conduct of such business, and the further fact that the present law does not contemplate any regulation whatsoever over foreign Lloyd's, and the increasing number of instances in which persons outside the State of Texas are undertaking to secure permits in Texas to do business upon the Lloyd's plan, and the great volume of legislation upon the calendar at this session, creates an emergency and an imperative public necessity demanding the suspension of the constitutional rule requiring all bills to be read on three several days in each house, and that this Act shall take effect from and after its passage, and said rule is hereby suspended, and it is so enacted.

Committee Room,

Austin, Texas, Jan. 30, 1929.

Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Insurance, to whom was referred,

S. B. No. 354, A bill to be entitled "An Act to regulate the business in insurance on what is known as the

Lloyd's Plan, amending all of Chapter 19, Title 78, Revised Statutes of Texas, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed in the Journal, and not otherwise.

MOORE, Chairman.

By Moore by request. S. B. No. 354.

#### A BILL

#### To Be Entitled

An Act to regulate the business in insurance on what is known as the Lloyd's Plan, amending all of Chapter 19, Title 78, Revised Statutes of Texas, and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. That Chapter 19, Title 78 of the Revised Statutes of Texas, 1925, and all the Articles therein contained be and the same are hereby amended so as hereafter to read as follows, to-wit:

Article 5013. "Underwriters" Defined.—Individuals, partnerships, associations of individuals, hereby designated "underwriters," are authorized to make any insurance, except life insurance, on the Lloyd's Plan, by executing articles of agreement expressing their purpose so to do and complying with the requirements set forth in this chapter.

Article 5014. "Attorneys" Defined.—Policies of insurance may be executed by an attorney in fact or other representative, hereby designated "attorney" authorized by and acting for such underwriters under powers of attorney. The principal office of such attorney shall be maintained at such place as may be designated by the underwriters in their articles of agreement; provided that no license shall be issued to any attorney at a Lloyd's to bind risks or insurance in Texas, or with citizens of Texas, or covering property in Texas, unless their attorneys in fact be residents of this State and maintain their office in this State.

Article 5015. Application for License.—The attorney shall file with the Board of Insurance Commissioners a verified application for license setting forth and accompanied by:

(a) The name of the attorney and the title under which the busi-



ness is to be conducted, which title shall contain the name Lloyd's and shall not be so similar to any name or title in use in this State as to be likely to confuse or deceive.

(b) The location of the principal office.

(c) The kinds of insurance to be effected, which kinds of insurance may be as follows:

1. Fire insurance, which term shall be construed to include tornado, hail, crop and floater insurance.

2. Automobile insurance, which term shall be construed to include fire, theft, transportation, property damage, collision, liability and tornado insurance.

3. Liability insurance.

4. Marine insurance.

5. Accident and health insurance.

6. Burglary and plate glass insurance.

7. Fidelity and surety bonds insurance.

8. Any other kinds of insurance, not above specified, the making of which is not otherwise unlawful in this State, except life insurance.

(d) A copy of each form of policy or contract by which such insurance is to be effected.

(e) A copy of the form of power of attorney by virtue of which the attorney is to act for and bind the several underwriters and a copy of the articles of agreement entered into between the underwriters themselves and the attorney.

(f) The names and addresses of all underwriters, whose number shall not be less than ten.

(g) A financial statement showing in detail the assets contributed and /or accumulated in the hands of the attorney in fact, committee of underwriters, trustees and/ or other officers of such underwriters at Lloyd's, together with the liabilities incurred and outstanding and the income received and disbursements made by the attorney for the underwriters.

(h) An instrument executed by each and all of the underwriters specially empowering the attorney to accept service of process for each underwriter in any action on any policy or contract of insurance, and an instrument from the attorney to such Commissioner delegating the

attorney's powers in this respect to such Commissioner.

Article 5016. License.—Upon compliance with the requirements of this chapter and upon a showing of net assets as provided in the succeeding article, the Board of Insurance Commissioners shall, upon payment of a fee of ten dollars, issue a license to any attorney applying therefor specifying the kind or kinds of insurance which he is authorized to make and containing the name of the attorney, the location of his principal office, and the title under which such business is to be conducted. Such license shall continue in force until the first day of March succeeding, at which time it may be renewed for the period of another year by the Board if and when they shall be satisfied from a report filed by such underwriters at Lloyd's showing that the provisions of the law applicable thereto have been complied with, and that such underwriters are entitled to a renewal of such license. Such license shall be renewed from year to year thereafter on the same conditions.

Article 5017. Assets.—No attorney shall be licensed by the underwriters at a Lloyd's under this chapter unless the net assets including the guaranty fund contributed to the attorney, a committee of underwriters, trustees or other officers as provided for in the articles of agreement, shall be at least sixty thousand dollars in cash, or convertible, admissible securities; nor shall any attorney be licensed for any underwriters at Lloyd's nor shall any underwriter at a Lloyd's be licensed to transact more than one kind of business as defined in the third article of this chapter, unless the net assets as they are herein defined, belonging to such underwriters at Lloyd's shall be as much as ten thousand dollars additional for each additional kind of insurance designated in the application for license.

Article 5017a. Limitation of Business.—The underwriters at a Lloyd's shall not assume nor write insurance obligations in Texas, nor for citizens of Texas, nor covering property located in Texas which produce a premium income in excess of ten times the net assets of such underwriters, and if, at any time, the liabilities assumed upon such insurance shall produce a premium income greater

than ten times such net assets, then no further insurance obligation shall be assumed until the net assets have been increased so as to admit of additional insurance obligations which will produce a premium income not greater than ten times such net assets; provided that when the net assets at Lloyd's shall equal the sum of money which will be required of a stock insurance company doing the same character of business in Texas, then this limitation upon the volume of business to be written shall not apply further; provided further that if in the judgment and discretion of the Board of Insurance Commissioners such underwriters at a Lloyd's shall have effected reinsurance, or other contracts, with responsible and solvent insurance carriers reducing the net lines at risk carried by such underwriters at a Lloyd's so that their operations are safe and their solvency not in danger, then such Board may renew or extend the licenses of such underwriters, irrespective of this limitation.

Article 5017b. Solvency.—In determining the solvency and arriving at the amount of net assets on hand belonging to underwriters at a Lloyd's for the purpose of this chapter, there shall be considered all the funds contributed to the Guaranty Fund by the underwriters and the funds accumulated during the progress of the business and held for such underwriters by the attorney in fact, trustees or other officers. Underwriters at a Lloyd's shall be deemed solvent when the net assets on hand shall meet the requirements of this chapter, after deducting from its gross assets all outstanding liabilities, including reserve liabilities, and when the contributed guaranty fund at least to the minimum required herein shall be unimpaired.

Article 5017c. Reserves.—Underwriters at a Lloyd's are required to compute reserve liabilities for all outstanding business and for all incurred losses upon the same basis required for stock insurance companies doing the same classes and character of business in Texas.

Article 5017d. Investments. The assets of underwriters at a Lloyd's shall be invested in such property and securities as the assets of a stock insurance companies doing the same sort of business may be in-

vested in, except real estate, or they may be held in cash.

Article 5017e. Control of Net Assets.—The assets of underwriters at a Lloyd's to the extent of the minimum required under the provisions of this chapter shall be submitted to and subjected to the joint control of the underwriters at a Lloyd's, or the attorney in fact for such underwriters, and the Board of Insurance Commissioners, in some manner satisfactory to the Board so that the same may not be withdrawn or diverted, or expended, except with the approval of the Board, and for the purposes provided for in this chapter. Such underwriters, however, shall be entitled to the interest accruing from such property or securities as may be placed under the joint control of such underwriters and the Board as and when the same is payable.

Article 5018. Examination of Affairs.—The Board of Insurance Commissioners is hereby required to make an annual examination either in person or through a duly appointed examiner of the books and affairs of the attorney for underwriters at a Lloyd's, or of any attorney for such underwriter at a Lloyd's wherever such books may be kept, and its affairs may be conducted. The expense of such examinations must be borne by the underwriters; and the attorneys and their deputies shall facilitate such examination and furnish all such information which the Board may demand.

Article 5018a. Annual Reports.—The underwriters at a Lloyd's and the attorneys for such underwriters shall annually file with the Commissioner of Insurance a verified report of the business done by such underwriters during the previous year, and of the condition of its affairs, together with such other information as the Board of Insurance Commissioners may demand; such reports shall be filed upon blanks prepared by the Board and shall cover the report of all the business of such underwriters, wherever the same may be conducted.

Article 5018b. Limitation of Liability.—An underwriter at Lloyd's may limit his liability by contract with the persons insured to the proportionate part of the loss represented by the ratio his subscription paid in bears to the total guaranty

fund contributed by all the underwriters; but the liability may not be limited to a definite amount in money. This provision, however, need not apply to underwriters at Lloyd's now operating in Texas under permit to do business, but must apply to any hereafter authorized.

Article 5019. Liability of Substitutes.—Additional or substituted underwriters shall be bound in the same manner and to the same extent as original subscribers to the articles of agreement and power of attorney on file with the Board; and the acts of the duly appointed deputy or substitute attorney of any attorney licensed under this chapter in accepting powers of attorney from underwriters and in making and issuing policies and contracts of insurance and in doing any additional acts incident thereto shall be deemed authorized by the license issued to the original attorney.

Article 5019a. Division of Profits.—No distribution of profits shall be made between underwriters except upon the basis of actual contribution in cash or convertible securities, disregarding any obligation or subscription to pay in additional cash or securities at a later date.

Article 5020. Assuming Risk.—No attorney for underwriters at a Lloyd's shall issue any one insurance risk exceeding one-tenth of the amount of the net assets of the underwriters as defined in this chapter, unless such excess shall be promptly reinsured, in some solvent insurance carrier approved by the Board.

Article 5021. Action on Policy.—Action on any policy or contract of insurance made by the attorney for the underwriters may be brought against the attorney or against the attorney and the underwriters or any of them. In such action, summons and process shall be served on either Commissioner of Insurance or on the attorney in fact and when so served shall have the same force and effect as if served on the attorney and on each underwriter personally. A judgment in any such action against the attorney or against any of the underwriters shall be binding upon and be a judgment against each and all of the underwriters as their several liabilities may appear in the contract of insurance in which the action is brought.

Any such summons or other process shall be served in duplicate, and the Board of Insurance Commissioners shall forthwith by registered mail send one copy thereof to the attorney for the underwriters at the principal office designated in the application for license or latest amendment thereof. The party commencing any action against the underwriters at a Lloyd's and securing service of process in this manner shall at the time of such service pay to such Board for the use of the Department a fee of two dollars, which he shall be entitled to collect as taxable costs in the action if he shall prevail.

Article 5022. Winding Up Affairs.—Whenever it shall appear to the Board that the underwriters at a Lloyd's are insolvent as that term is defined in this chapter, the Board shall immediately give notice to the underwriters for such Lloyd's to appear and show cause why the license of such underwriter shall not be revoked, and if within thirty days from the giving of such notice the impairment or insolvency shall not be made good by such underwriters, or their attorney, such license shall immediately be cancelled. If such attorney or other person shall make any advancement to make good such impairment, the claim for such advancement against the assets of such underwriters shall be deferred to the claims for losses under policies or contracts of insurance. If such impairment is not made good within the time prescribed, then the Board shall proceed to take charge of the assets of such underwriters, and to effect a reinsurance of all business outstanding in Texas or covering property located in Texas, and for that purpose, it shall have the right to use the net assets over which he has joint control, as well as such other assets as may be on hand with such underwriters, or their attorney in fact, and to make provision for the payment of outstanding claims and losses. In case reinsurance cannot be effected by the Board, then the affairs of such underwriters at Lloyd's shall be wound up through receivership proceedings instituted by the Attorney General of Texas at the request of the Board.

In case underwriters at Lloyd's, while solvent, shall desire to withdraw from the insurance business,

they may be permitted to do so and shall be entitled to a return of the net assets over which the Board has joint control, if and when they shall satisfy the Board that adequate provision has been made through reinsurance or otherwise for the payment of all unadjusted losses, and for the reinsurance of all outstanding risks in favor of citizens of Texas, or covering property in Texas. Until the Board is so satisfied, it shall not under any circumstances release to such underwriters the net assets over which it has been given joint control.

Article 5022a. Foreign Lloyd's.—In case underwriters at a Lloyd's who are non-residents of Texas, or who maintain their principal office outside of Texas, apply for a permit to do business in Texas, such permit shall not be granted unless such underwriters have and maintain net assets in Texas which are subject to the joint control of their attorney in fact, and the Board of Insurance Commissioners of this State sufficient to meet the minimum requirements of this chapter relative to the amount of net assets which underwriters at a Lloyd's must have, or unless they submit to and file with the Board a bond executed by such corporate sureties as the Board may require (which corporate sureties must be licensed to do guaranty, fidelity and surety business in Texas) in a principal amount which would be required for net assets of underwriters at Lloyd's under foregoing provisions of this chapter, which said bond shall be payable to the Board of Insurance Commissioners and which shall be conditioned for the payment of all claims arising upon contracts issued in Texas, or issued to residents and citizens of Texas, or covering property located in Texas, and which bond shall be held by the Board for the benefit of all persons having valid claims arising upon contracts issued in Texas, or to residents or citizens of Texas, or covering property located in Texas. It shall also provide that in the event the underwriters shall become insolvent or cease to transact business in this State at any time when there are outstanding policies of insurance in favor of citizens of this State, or upon property in this State, the Board shall have power, after having given ten days' notice to the at-

torneys for such underwriters, or any receiver in charge of its property and affairs, to contract with any other insurance carrier transacting business in this State for the assumption and reinsurance by it of all the insurance risks outstanding in this State of such underwriters which contract shall also provide for the assumption by such reinsurance carrier for all outstanding and unsatisfied lawful claims then outstanding against such underwriters. In the event of the Board making any such contract, and if the same shall be approved as reasonable by the Attorney General, the reinsuring carrier shall be entitled to recover from the makers of such bond the amount of the premium or compensation so agreed upon for such reinsurance. Such bonds shall also bind any additional or substitute underwriters at such Lloyd's. Any underwriters desiring to do so may, at their option, in lieu of giving the bond required by this article, submit securities of any kind in which it may lawfully invest its funds to the joint control of its attorney in fact and the Board of Insurance, upon such terms and conditions as will in all respects afford the same protection and indemnity as herein provided for to be afforded by said bonds.

If there shall be any recovery upon the bond or from the deposit hereinabove provided for, then the Board shall immediately demand additional security so as to bring the amount of the bonds up to the minimum sum required hereunder, which additional bond must be posted within thirty days from the date of such demand. Provided, there may be successive recoveries in said bond until the principal sum thereof is exhausted.

Article 5022b. Foreign Lloyd's, Cont'd.—All of the provisions of this chapter except as the same are modified by the foregoing article are applicable to underwriters at a Lloyd's who are non-residents of Texas, or who maintain their principal office outside of Texas, in the same manner that they are applicable to underwriters at a Lloyd's who are residents of Texas, and who maintain their principal office in this State.

Article 5022c. Revocation and Suspension of License.—If any underwriters at a Lloyd's shall violate any of the provisions of this chapter, or any of the other laws of the State of

Texas, which are applicable to them, their license shall be revoked and their right to do business in Texas shall be cancelled.

Article 5023. This Law Exclusive.—Except as herein provided no other insurance law of this State shall apply to insurance on the Lloyd's Plan unless it is specifically so provided in such other law that the same shall be applicable.

Article 5024. Lloyd's Shall Not Be Promoted.—No funds shall be collected or charged by any person in connection with the organization of an insurance business upon the Lloyd's Plan by way of commissions or fees for the sale of "units" or interest in the business, nor in any firm or corporation organized, designed or intended to operate or manage the Lloyd's or to be attorney in fact therefor, in excess of five hundred dollars, which shall not include the cost of supplies necessary to begin the insurance business in contemplation, nor the cost of attorney's fees in connection with such organization.

Sec. 2. The fact that the present law does not adequately protect the public against insolvency of Lloyd's and the further fact that the present law does not in any manner restrict the operation of insurance upon the Lloyd's Plan either as to amount of business or the manner of the conduct of such business, and the further fact that the present law does not contemplate any regulation whatsoever over foreign Lloyd's, and the increasing number of instances in which persons outside the State of Texas are undertaking to secure permits in Texas to do business upon the Lloyd's Plan, and the great volume of legislation upon the calendar at this session, creates an emergency and an imperative public necessity demanding the suspension of the constitutional rule requiring all bills to be read on three several days in each house, and that this Act shall take effect from and after its passage, and said rule is hereby suspended, and it is so enacted.

Committee Room.

Austin, Texas, Feb. 8, 1929.

Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Insurance, to whom was referred,

S. B. No. 444, A bill to be entitled "An Act to amend Article 4891 of

the Revised Civil Statutes of 1925 of the State of Texas and to provide the conditions under which co-insurance clauses may be used in policies of insurance covering losses by fire to property in this State, and declaring an emergency."

Have had same under consideration, and I am instructed to report it back to the Senate with recommendations that it do pass, and that it be printed in the Journal, and not otherwise.

MOORE, Chairman.

By Woodul.

S. B. No. 444.

#### A BILL

#### To Be Entitled

An Act to amend Article 4891 of the Revised Civil Statutes of 1925 of the State of Texas, and to provide the conditions under which co-insurance clauses may be used in policies of insurance covering losses by fire to property in this State, and declaring an emergency. Be it enacted by the Legislature of the State of Texas:

Section 1. Article 4891 shall hereafter be and read as follows:

Article 4891. No company subject to the provisions of this law may issue any policy or contract of insurance covering property in this State which shall contain any clause or provision requiring the assured to take out or maintain a larger amount of insurance than that expressed in such policy, nor in any way providing that the assured shall be liable as a co-insurer with the company issuing the policy for any part of the loss or damage which may be caused by fire to the property described in such policy, and any such clause or provision, except as herein provided, shall be null and void, and of no effect; provided co-insurance clauses and provisions may be inserted in policies written upon cotton, grain or other products in process of marketing, shipping, storing or manufacture; provided further, it shall be optional with an insured to accept a policy or contract of insurance containing such clause or provision covering other classes of property when a reduction in the rate is allowed for such policy, and said clause in such policy shall be valid and binding; and the Board of Insurance Commissioners shall have power to name the rates to apply, when such co-insur-

ance clause or provision shall be used.

Sec. 2. The fact that property owners under the existing law are denied the freedom to contract in the buying of insurance against loss by fire, and as a result are compelled to pay more for such insurance than would be required with freedom to contract, creates an emergency and an imperative public necessity that the constitutional rule requiring that bills be read on three several days in each house be suspended, and that the constitutional rule as to the time an Act shall take effect be suspended, and each of said rules are suspended, and this Act shall take effect and be enforced from and after its passage.

#### Proposed Amendments to Senate Bill No. 149.

Amend S. B. No. 149 by striking out the words "that such applicant supported the nominees of said political party at the General Election next preceding such Primary Election," and inserting in lieu thereof the following: "That such applicant supported the nominees of said political party at each of the four General Elections next preceding such Primary Election."

Also amend Section 1a of the bill by striking out the words "At the General Election next preceding such Primary," and inserting in lieu thereof the following: "At each of the four General Elections next preceding such Primary Elections."

Also amend S. B. No. 149 by adding a new section to be known as Section 2a, reading as follows:

"Section 2-a. It shall be unlawful for any voter to vote at any Party Primary Election in this State who is not lawfully entitled to have his name printed on the ballot in such Primary Election as a candidate for any office which he is lawfully eligible to fill."

LOVE.

#### TWENTY-FOURTH DAY.

(Continued.)

After Recess.

Senate Chamber,

Austin, Texas, Feb. 9, 1929.

The Senate met at 10 o'clock a. m., pursuant to recess, and was called

to order by Lieutenant Governor Barry Miller.

#### Bills and Resolutions

By Senator Hornsby:

S. B. No. 478 A bill to be entitled "An Act to amend Article 725, Revised Civil Statutes of Texas, 1925, so as to authorize the refunding of county road bonds and road district bonds, and declaring an emergency."

The bill was read first time and referred to committee on State Highways and Motor Traffic.

By Senator Hyer:

S. B. No. 479 A bill to be entitled "An Act to amend Article 5053, R. S. 1925, relating to discrimination and other practices in connection with the sale of life insurance policies, so as to better regulate the sale of stocks, bonds and other securities in connection with life insurance policies, and declaring an emergency."

The bill was read first time and referred to Committee on Insurance.

By Senator Berkeley, by request.

S. B. No. 480 A bill to be entitled "An Act to provide a complete educational system commonly known as the County Unit System for Kinney County, Texas; setting forth the general administration of the schools of such County under a County board of education; etc., and declaring an emergency."

The bill was read first time and referred to Committee on Educational Affairs.

By Senators Beck and Moore.

S. B. No. 481, A bill to be entitled "An Act to accept the benefits and provisions of the Act of Congress authorizing the extension of Federal Aid for construction of toll bridges on the highways included in the Federal System, under certain conditions and limitations, 44 United States Statute 1398, approved March 3, 1927, etc., and declaring an emergency."

The bill was read first time and referred to Committee on State Highways and Motor Traffic.

By Senators Thomason and Patton:

S. B. No. 482 A bill to be entitled "An Act providing for dairy research work and soil research and cooperative fertilizer experiments to